

Study on the Conceptual Explanation through Understanding the Metaverse

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Abstract. In the ever-changing and innovative Internet media industry, Meta (formerly Facebook), founded in 2004, has been occupying a very important position in the industry. Meta's "Metaverse project", launched in recent years, has unlimited potential for growth. Meta's strong customer base and extensive business coverage gives it a "Metaverse" has an advantage in the development of Metaverse. This paper focused on how to truly protect user privacy and use a large amount of user data reasonably and legally to improve the user's product experience is also a factor Meta needs to focus on. This paper depicted that as one of the first companies to enter the field of virtual reality technology development, Meta is fully capable of maintaining its leading position in the Internet media service industry in the next 10 years if it can truly combine Internet media with Metaverse in its future development.

Keywords: Metaverse; Innovation; Internet Media Service Industry.

1. Background of Meta

In the Facebook metaverse, the path coefficients of the research model showed statistically significant, which help firms to develop planning and investment inside (Alvarez-Risco, Del-Aguila-Arcentales, Rosen,& Yáñez, 2022). Meta is a US-based Internet technology company founded on February 4, 2004, by Mark Zuckerberg, formerly known as Facebook and officially renamed Meta in October 2021, which is dedicated to building various Internet applications to provide more convenient services to its customers. Meta has its own offices around the world, spanning nearly 80 cities, and has 21 data centers around the world to support future growth. The company's products are rich and of high quality, and are loved by all kinds of people, such as Facebook, Instagram, WhatsApp, Oculus Quest, etc. Pamucar, Deveci, Gokasar, Tavana, & Köppen(2022) believed that metaverse technologies will change the transportation system as we know. A research combining the informed narrative and multi-perspective approach revealed many aspects of the metaverse and its transformational impact. (Dwivedi et al, 2022). In 2019, Meta was named one of the most valuable brands by Forbes. To date, it has a brand value of nearly \$90 billion, making it the most influential social media company in the world.

In 2022, Meta published a report on their website stating that their corporate growth strategy is to "empower people to build communities and bring the world closer together". To this end, they are constantly trying to iterate and update their products and strive to provide solutions for people around the world, so that people can help each other and work together on Meta's various social apps to improve their well-being. A relevant article contributed to the literature by taking out controversial or ambiguous findings (insufficient/irrelevant data), which outcomes unsubstantiated by replication (Nica, Poliak, Popescu & Pârvu, 2022). At the retail customer level, Meta allows them to share their moods and news anytime, anywhere, so that customers can easily establish closer ties with their families and friends even when they are far away from each other. In addition, Meta provides recommendations for similar users through customer data analysis, so that people can reach more people with similar interests and easily expand their circle of friends. Customers can also create their own communities on software such as Facebook, inviting not only their family and friends, but also people who face common difficulties or have the same goals to join, finding more possibilities for people with problems to solve. At the level of enterprise customers, up to now, nearly 200 million enterprises have joined Meta, which allows enterprises to publish their promotions, events, products, job introductions, etc. to a huge group of nearly 3 billion people, greatly improving the efficiency of

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enterprise publicity. To make the software truly global and connect more diverse groups of people, Meta has broadened the diversity of its staff, hiring staff from all over the world with different cultures and trying to accommodate different opinions from all over the world.

2. Meta's major decision around Covid-19

Meta's major decision in 2021 to change its name and invest heavily in the development of the metaverse is a world-renowned innovation. Meta believes that 3D and virtual reality technologies will be the future of the world, although it is still a very basic period, but ordinary messages and videos are no longer enough to meet the needs of the current customer base. A survey also found that not only in terms of entertainment and social interaction, the metaverse is of great help to the development of a new generation of artificial intelligence and blockchain technology. (Yang, Zhao, Huang, Xiong, Kang & Zheng, 2022). Also, the emergence of Covid-19 has also pushed this demand even more. Due to the rapid spread of viruses, people have been greatly hindered in their work and life. It is more difficult to meet with friends and family, and companies are more dependent on Internet technology for their mode of operation. VR technology makes it easier for people to connect with each other and play together; it also allows employees to attend virtual meetings remotely and work online without barriers. Through the study we can find that due to the rapid development of technology and changes in social governance, a massive digital transformation of society and economy is taking place, including smart cities and metaverse. (Bibri, Allam & Krogstie, 2022). Zuckerberg's open letter to internal employees also clearly stated the new generation corporate culture and slogan "Meta, Metamates, Me", demonstrating his commitment to Meta's future development. innovation. In today's era of rapid development of new technologies such as 5G and metaverse, Meta's position in the new media and Internet industry is bound to become more and more solid.

3. Meta's Strengths and Weaknesses

A detailed SWOT analysis model shows that Meta has a strong brand and a loyal customer base. 18 years of operation has allowed Meta to build a valuable brand and many customers, with approximately 40% of the world's population using Meta's social media software by 2022 and a monthly active population (MAP) of Meta's product line. The Meta product line has more than 3 billion monthly active users (MAP). In addition, Meta is seeking diversification at the investment and acquisition level. Since 2012, Meta has acquired several companies in various Internet media fields, and they all occupy leading positions in different industries, including virtual reality, video calling, electronic payment, etc. Meta is better able to respond to the changing and volatile world. At the same time, Meta's large user base also provides it with good and efficient marketing channels. According to statistics, more than 1 billion users use Meta's products every day. Meta is one of the most expensive companies on the Internet and media industry in terms of R&D spending. In 2015 alone, Meta's R&D costs have reached \$4.8 billion. However, Meta also has some competitive weaknesses. One of the most important is its user privacy issues, and the poor retention of user data has cost Meta nearly 15 million users. (2019). And, as seen in Meta's current annual earnings report, it is overly dependent on advertising for its main revenue, which accounted for 97.46% of its total revenue in 2021. In addition, Meta's products are subject to policy restrictions in certain countries and regions, such as China and North Korea, which prevent users from using these products, and this has cost Meta's user base severely. Despite the existence of some problems, Meta still has many opportunities for future development. Because of Meta's diversification into a wide range of investments, it can try to broaden its business areas more. In terms of software, it can dabble in e-commerce, virtual meetings, etc.; in terms of hardware, it can try commercial e-wallets and other models. At the same time, Meta has the advantage of multi-platform and multi-user. It can choose a collection of multiple programs, allowing users to link across platforms, which can include e-commerce, video, games, etc. Likewise,

Meta can take advantage of its proven advertising to build new brands or promote other platforms under the parent company for subsequent innovative development. Currently, Meta is also facing many threats. Due to the development and popularity of the Internet, the regulation of the industry has become stricter, and the freedom of expression promoted by Meta has been restricted, many users have no choice but to change their social platforms. The new digital tax in the U.S. has also made Meta pay higher taxes, which has led to a decline in Meta's profits. The biggest concern is the increasing number of competitors on the Internet and media industry, especially the short-form video industry, such as TikTok, which has emerged in recent years and has put enormous competitive pressure on Meta, a more traditional social media company. On social networks, Meta's direct competitors include Snapchat, Telegram, etc.; on the metaverse side, competitors include Microsoft, Apple, Nvidia, NReal, etc. Among them, Nvidia's recently established Omniverse platform is a strong rival of Oculus. Of course, Meta has already launched a system to deal with these competitors, called "Early Bird", which can monitor or alert new products that may pose a threat to the parent company's various applications.

4. Future Trends of Meta

The underlying logic of the straightforward communicative efforts primarily serves two purposes, while it is able to analyze Facebook's announced changes in metaverse (Kraus, Kanbach, Krysta, Steinhoff & Tomini, 2022). Among the current trends in media and the Internet, the development and application of 5G and the Internet of Things provide a solid foundation for data and the interconnection of everything. This also allows new technologies such as virtual reality and smart home to quickly enter widespread use. Users are beginning to expect a better Internet experience, and Meta's focus on innovation in the metaverse confirms this fact. Since 2004, when Facebook was officially founded and entered the Internet industry, it has been occupying a strong market position. since 2012, it has continued to acquire social media companies such as Instagram and WhatsApp and has since built a powerful social media empire. In 2014, the concept of metaverse was not yet known by the public, and Internet technology was still stuck in the 2D era. Facebook had already acquired Oculus, which provided important support for its subsequent impact on metaverse technology. in October 2021, Facebook officially changed its name to Meta, and became the first group of companies to enter metaverse development. Meta has enough economic and technological strength as the first company to start developing 3D Internet and media with the support of huge customer and software data and brand effect at present. Akour, Al-Marouf, Alfaisal & Salloum (2022) helped us to understand the significance of each factor in metaverse and offered deep insight into non-linear relationships. Although the current metaverse belongs to the initial stage, the revenue and profit are not bright, and the R&D cost invested is huge. However, in the next 10 years, due to the increasing demand side, the rapid iterative update of the Internet is inevitable, and the potential of metaverse is huge. Considering the promotion of metaverse, the suggestion of meta-commerce as a future trend were discussed well (Shen, Tan, Guo, Zhao, & Qin, 2021).

According to Meta's 2021 financial report, its annual revenue reached \$117,929, up 37% compared to the same period in 2020, and net profit reached \$39,370, up 35% compared to the same period in 2020. Of this, revenue from advertising sources amounted to \$114,934 and revenue from Reality Labs sources amounted to \$2,274. Comparing the financial data of previous years, we can see that although the stock price has fluctuated recently due to Meta's heavy investment in metaverse development, revenue has been in a steady growth phase. In this era of constant black swan events, Meta's stability and innovation have strong competitive power in the new Internet and media industry.

5. Summary

Meta now has a strong market share and has managed to be one of the first companies to deeply develop the metaverse. However, if Meta wants to maintain its leadership position in the industry, it

still needs to innovate and improve the services and products it offers to its customers and use its existing strengths and industry barriers to continue to close the gap with other companies. With a large amount of customer data and the most advanced technology in the industry, Meta needs to use these data wisely to improve the user experience, such as recommending content that is more likely to be of interest to users, finding people that users may know, and so on, while ensuring customer data and privacy. Similarly, in terms of metaverse development, Meta should try to be more innovative in virtual reality and become a pioneer in 3D Internet and media, while ensuring the interests of investors. This will significantly increase Meta's brand awareness and user base. Of course, the Internet and media industry is ever-changing every day, and Meta should continue to pay attention to the latest trends in the industry and the world in the process of innovation, not just focus on the metaverse and ignore other new opportunities that may arise.

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